

TRANSFERRING CULTURE ABROAD: THE CASE OF VESTAS CONTROL SYSTEMS

Muhammed Abdulai

University for Development Studies
Faculty of Agribusiness and Communication Sciences,
Department of Communication, Innovation and Technology.
Nyankpala Campus, Ghana

Hadi Ibrahim

Ministry of Trade and Industry, P.O. Box 163, Sunyani, Ghana

ABSTRACT: *The study focuses on culture and knowledge transfer abroad. Specifically, the paper explores how Vestas Control system transferred its organizational culture to its Chinese subsidiary. As boundaries within and between companies and countries break down due to competitive pressure of globalisation, business activities and organisations are becoming more and more multinational in their operations. This has resulted in many firms establishing subsidiaries outside their home base. In this regard, managers and employees may find themselves operating in different nations, belonging to many teams and among different cultures. Semi-structured interviews were used to obtain data, and analysed using a hermeneutic approach. The study discovered that, power distance, Vestas safety culture and Teamwork had influenced the transfer of Vestas organizational culture to China*

KEYWORDS: Culture, Transfer, Knowledge, Vestas

INTRODUCTION

The increasing internationalization of firms has led to frequent interactions of suppliers, shareholders, customers, and employees from different cultures. This has also enabled multinational companies to establish subsidiaries outside their home base. Although internationalisation has offered opportunities for expansion of subsidiaries and interaction of people from different cultures, managers of multinational organisations are faced with both challenges of creating and managing culture and transmitting and sharing corporate culture and knowledge within headquarters, branches, and other subsidiaries in other countries or regions. For these reasons, scholars in the field of intercultural relations have extensively explored managing cultures in international organization (Hofstede 2005; House et al. 2004; Schein 2004; Hoecklin, 1995; Gullestrup, 1996; Adler, 1991; Alvesson, 1993; etc). However, “transferring culture and knowledge abroad” has not received much attention. Studies of cultures within international organizations turn to focus on managing cultural differences. For instance, research on intercultural relations and knowledge transfer conducted by (Gullestrup 1998; Ekerete 2001; Abdulai, 2009; etc) focused on managing cultural differences within international organizations. Only few studies (e.g Kuada 2008; and Holden 2002) have focused on culture and knowledge transfer.

The paucity of studies on transferring culture and knowledge abroad has motivated our quest for contributing to this field. A study of culture and knowledge transfer abroad would have several benefits. First, understanding both the visible and invisible elements of culture and

how it affects organizational behaviours is necessary for the success of most international organizations abroad. Second, it is quite easy to transfer “machines and equipment” from one country or region to the other. However, it is not too easy to transfer the practices, values, knowledge and culture of one organization from a different geographical area to another with employees from diverse cultural backgrounds. In this regard, a study of how culture might influence knowledge transfer would be very relevant. Third, corporate culture is part and parcel of the identity of organisational members, and it distinguishes employees from one organization and the other. In this context, a study of the behaviours of employees with multiple organizational identities is worth pursuing. The study would specifically focus on how culture influence the transfer of Vestas Control System values, practices and knowledge to its Chinese subsidiary.

LITERATURE REVIEW

Central to the trend of firms’ internationalisation is the transfer of knowledge and organizational culture to new geographical and cultural destinations. The increasing dynamics of the business world has made organizational culture or knowledge extremely critical element in sustainable competitive advantage and the future longevity of organizations (Dobrai et. al, 2012). Thus, knowledge creation, transfer and exploitation have increased in critical importance to the continued existence and success of organizations. The increment of high-tech and knowledge-intensive firms that engage the services of great number of professionals with significant importance of their commitment has added weight to the crucial importance of culture in management. Alvesson (2002) suggested a diminishing creation of culture in recent organizations in reference to Van Maanen and Barley (1984) “that it is because modern management methods are antithetical to ‘cultural authority’ that the notion of “organizational culture” has attained a faddish appeal in business literature”. Obedience and subservience to managers and leadership in today’s organizations are at a premium and managers are often met with resistance and unwillingness from subordinates who tend to be very critical placing ardent responsibility on managers to influence and rally subordinates with their unwilling attitude to buy into the beliefs, values and ideals of organizations (Alvesson, 2002). If this assertion is anything to go by, how receptive will Vesta Control System find its Chinese employees to the organizational culture it seeks to transfer?

Alvesson’s (2002) view on the central importance of culture to every facet of organizational life is highlighted when he asserts that ‘even in those organizations where cultural issues receive little explicit attention, how people in a company think, feel, value and act are guided by ideas, meanings and beliefs of cultural (socially shared) nature’ and that whether culture is thought of as too easy or too complex a phenomenon does not take away its significance. In Alvesson’s emphasis of the paramount importance of corporate culture to performance, success and growth, knowledge was considered a key and instrumental factor accounting for sustainable advantage and success for firms and that ‘knowledge issues are closely interlinked with organizational culture’. The day to day function of businesses and other setups has the significance of culture spanning across all areas including strategic change, leadership, and employee-management relationship including knowledge creation, sharing, maintenance and utilization. This inextricable interlink of knowledge and culture makes it worthwhile for this review to consider knowledge and organizational culture interchangeably. Organizational culture is instrumental to the proper comprehension of organizational life in ‘all its richness and variation’.

Writing later, Martins and Bombarda (2011) considered knowledge to be more than information since it has to do with understanding that, which is accumulated through learning and experience- experience as an aspect of acquiring and gathering knowledge which is transferable via personal interaction. They indicated further that knowledge creation relies on information whereas the development of relevant knowledge requires the application of knowledge. Information becomes knowledge when it's presented within a define context and the context and specific practice religiously hinges on culture. Like knowledge, culture is created by people but organizations can create the context for people to live, relive and amplify them.

Multinationals companies or prospective companies going abroad are regarded as important bedrock for learning and fountain from which cross-border knowledge or cultures can be transferred. The critical role they play in knowledge sharing presents excellent opportunities for headquarters and their subsidiaries to renew knowledge base and to create new knowledge to it. Dobrai et al (2012) noted that subsidiaries play strategic role in knowledge creation and diffusion. In reference to other works, they identify three levels of knowledge transfer:- individual and group level, organizational and global level. Further, they observed that in knowledge transfer it is the headquarters that plays the lead role in Multi-National Corporations (MNCs). The assumption is that it is the parent firm that basically transfers knowledge to its subsidiaries more especially at the initial stages of subsidiary creation (Dobrai et al. 2012) just like the case of Vestas Control System transferring its organizational culture to its Chinese subsidiary. It must also be reported that more evidence of research abounds in accentuating the increasing and strengthening role of subsidiaries contribution to vertical knowledge transfer as well as horizontal knowledge transfer when they have in their possession useful knowledge for parent and subsidiary. Thus, while Vestas will be transferring its organizational culture to its subsidiary in China, it could be learning in the process provided the subsidiary has in stock very useful cultures or knowledge that may inure to the organizational welfare of Vestas Control System in Denmark.

Bartlett et al. (2002), also observe how a firm's technology and other forms of knowledge are diffused or transferred from parent company to the newly established subsidiary. These are in three forms- multinational strategic mentality; global strategic mentality; and transnational strategic mentality. The first consists of strategies that come on the back of an approach to dealing with multiplicity of subsidiaries involved across national boundaries or cultures. Global strategic mentality is where manufacturing, research and development are managed from the headquarters with strategic decisions mostly decided at the centre. Lastly is transnational strategic mentality, which is the flexible type that accommodates the response or feedback of country-level operations. They believe that knowledge transfers are linked to those mentalities and vertical knowledge transfer takes three different forms that seem to be explaining the connections. These include strategies that are hatched at the headquarters and which are executed at the local levels, strategies created at the headquarters and executed at the regional levels and strategies developed at regional level and executed at the local levels. This makes knowledge movement within organizations complex.

Meanwhile, Lucas (2006) cautions managers of knowledge transfer that while efforts could be assisted by home office, there is likely to be resistance to change and sharing, which must be managed cautiously. But there will be success in knowledge transfer if the parties involved are culturally aligned and the lack of this will put dependency on the home office. For his part, Alvesson (2002) suggests that there will certainly be obstacles to the transfer of organizational

culture and the anticipated rift will turn to be grievous if the cultural difference between the source and destination is wide as culture cannot always be vigorously applied to influence the behaviour of people.

It is argued that one of the fundamental issues that may confront knowledge transfer under cross-cultural setting is national cultures of the knowledge. Differences that exist between the source and destination will be an obstacle to the effective transfer of knowledge and learning (Lin, 2009) and a potential source of friction or conflict. Therefore, in the transfer of organizational knowledge or culture beyond and across boundaries, what is important is the cultural characteristics of knowledge source which can be an 'important enabler or inhibitor' (Lin, 2006). It is in relation to the above observation that Zhou (2008) considered culture to be a 'melting pot', especially, in the wake of the current trend of globalization. He views cultural transfer to be the cultural interference occasioned by cultural differences. He postulated that the form and essence of cultural transfer can be analyzed by initially defining and classifying culture. By cultural classification he adopted Hu (1997) divisions to be material culture which shapes and determines the subjective thoughts of people; systematic culture that encapsulates the political and economic systems and psychological level containing the life values, thoughts pattern, moral standards, religious feelings etc. He, however, admitted that the classification is not specific and clear enough but it could bring out the essence of cultural transfer. We agreed with the assertion that the classification is not specific and clear enough but sinks well in some way with other classification such as one by Schein (1985) and Gullestrup (2006). This classification led to the description of cultural transfer into surface-structure transfer and deep-structure transfer. The first two culture levels go with the surface-structure transfer whilst the deep-structure transfer is associated with the last culture classification which is seen to be difficult because of its composition of psychological factors. This source considered culture transfer to be the major factor confronting cross-cultural communication. To this end, he viewed culture as the content of what people learn in a life time consisting of language, deeds, faith, martial and spiritual platform for living.

There is a world of cultural differences between Denmark and China at both the national cultures and organizational cultures levels and that would certainly impact on such an organizational culture transfer since national cultures are noted to be hindrance in such situations. How well would Vestas Control System be able to transfer its organizational culture to this ocean of cultural difference of China?

THEORETICAL CONSIDERATIONS

Schein view on Organizational Culture

(Schein 2004) claims that culture exist in three different levels in organisation. These three levels of culture are "Artefacts", Values, and Basic underlying assumptions (Schein 2004:25). However, the study would focus on espoused beliefs and values, and underlying assumptions. These levels are shown in the diagram below:

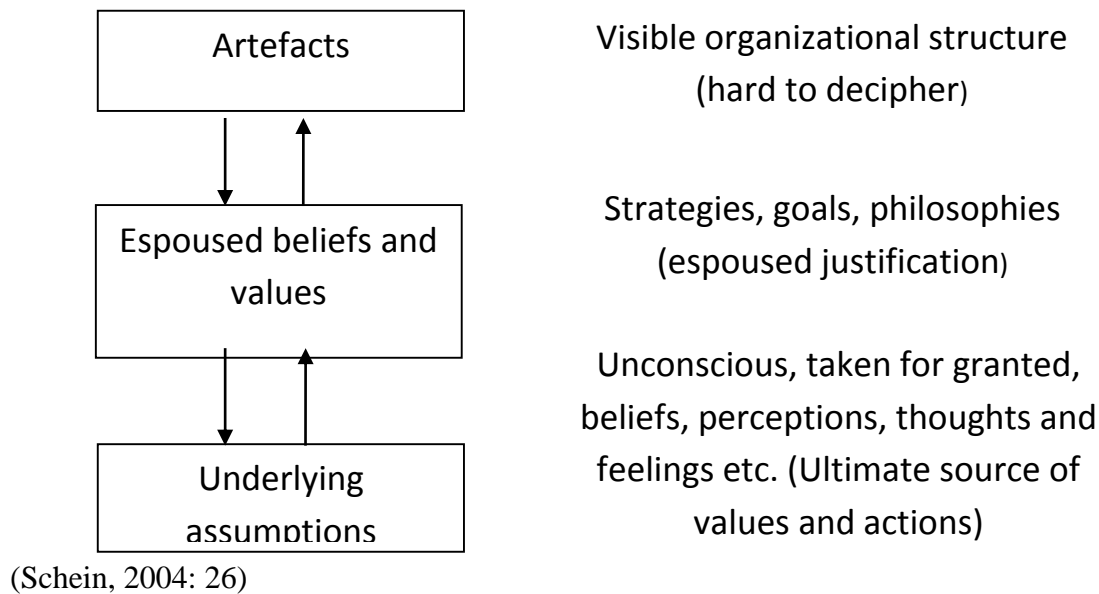


Figure 1: Levels of Culture

Espoused beliefs and values

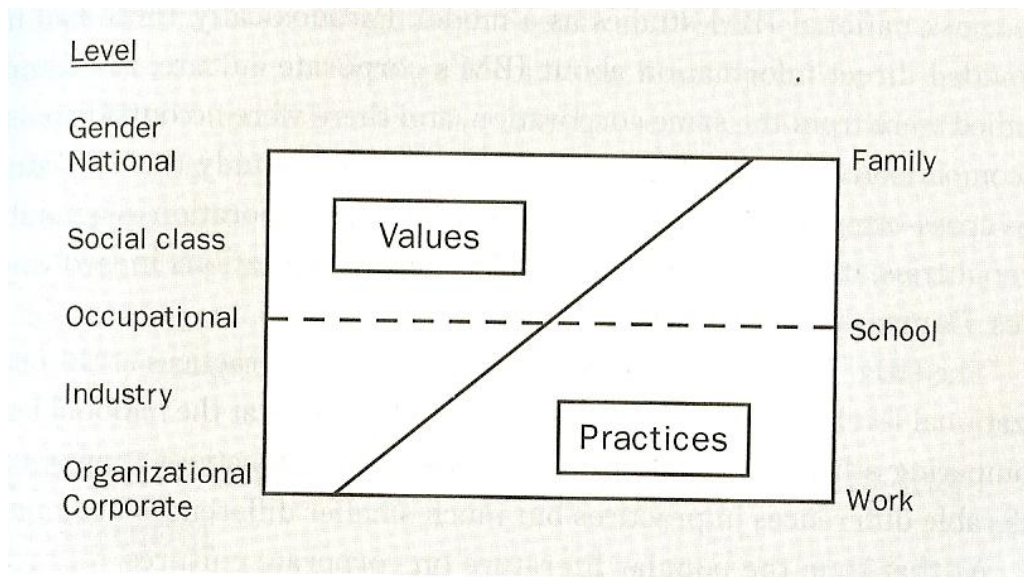
The second level of culture in organisations is its espoused beliefs and values. Values are based on idea on how things are and how they should be. Therefore, they involved beliefs about what organisation is expected to do based on basic assumption: Schein stated that *“a group learning ultimately reflects someone’s original belief and value, their sense of what ought to be as distinct from what is”* (Schein 2004:27). This implies that values more often originate from individuals of the organisation who transmit these values to the other members of the group. This part of the theory is relevant because it has been used to ascertain how Vestas Control System has blended their organizational practices and values with their Chinese colleagues.

Basic underlying assumptions

The third level of culture is basic underlying assumption. This level of organisational culture deal with phenomena that remains unexplained. Information on this level is gathered through careful observation of the behaviour of the employees of the organisation. Basic underlying assumption is a joint learning process (Schein1999:20). What was originally in the heads of the founders and leaders of the organisation became shared and taken for granted by members of the organisation. These are the elements of culture that are invisible and not consciously identified by the organisational members. This part of the theory would help explain how the invisible elements of culture can influence the transfer process of organizational practices and knowledge.

Organizational culture and National Culture

The paper has adopted Hofstede’s cultural theory as it is an explicit and analytically appropriate framework for studying organisational culture. In exploring organisational and national cultures, Hofstede focused on the balance between organisation’s values and practices. This is illustrated in the diagram below:



Source: (Hofstede, 2005:285).

Values

Unlike Schein who argues that organisational values emanate from its leaders and founders who imposed them on the members of the organisation, Hofstede asserts that values form the core of culture, and that national culture resides mostly in values (Hofstede 2005:285). Hofstede explains that our national culture contains most of our values because we acquired them at the early stage of our lives through our family, environment, neighbours and school. Cultural change is slow for the values in any given group or organisation but are feasible (Hofstede 2005:13). This is because these values were learned when we were children, therefore, these values have become part and parcel of us and become hard to change. In an organisation, employee's values may differ according to their nationality, gender, education or according to their membership to other organisations. These differences in values might have influence on the practices of the employees in the organisation. This part of the theory has been employed to examine how the values of the different nationalities of Vestas Control System have influenced the transferred organizational culture from Denmark to China.

Practices

Hofstede (2005) argues that organisational culture resides in practices. This is because organisational practices are unconsciously learned through socialisation at the work place. The organisation philosophy, vision and mission are transmitted to the employees of the organisation through the day to day activities in the organisation. Hofstede thinks that to maintain organisational culture, some values need to be implemented, which would develop into a shared perception of the daily work among the ordinary members of the organisation. In this way, the founder's vision, feeling and thinking would be transmitted into members of the organisation to become the organisation's practices (Hofstede 2005:283). This theory would be useful because it would help us understand and appreciate value differences and how it might influence culture and knowledge transfer abroad.

Social Constructivist Perspective of Knowledge Transfer and Learning

Scholarly research has identified two strands of knowledge generation and transfer. These include: the structure view of knowledge generation and transfer, and the process view of knowledge generation and transfer (Kuada, 2008; Spender, 1994; Polanyi, 1996). The structure view of knowledge is predicated on the assumption that knowledge can be seen as commodity, in the sense that there is one universal and absolute truth existing outside the knower (Kuada 2008:12). The literature further expatiates on the distinction between codified or explicit knowledge, and implicit or tacit knowledge to explain the difficulties of knowledge transfer. Codified knowledge is easily articulated, captured and can easily be transferred (Kogut and Zander 1992). On the other hand, (Takeuchi 1995) explains tacit knowledge as one that is difficult to articulate and transfer. The process perspective of knowledge or social constructivist perspective of knowledge and learning posits that it is impossible to define knowledge universally. It is believed that knowledge is created and co-created through individuals in interactions (Kuada 2008:13). This implies that our ability to perceive, interpret, and evaluate phenomenon depends on our interactions with people in a given community or context. This paper assumes that cultural knowledge is consistent with Polanyi's conception of tacit knowledge. This view is based on the understanding that individuals acquire their unarticulated tacit knowledge by being socialised into a community or partaking in practices of the community (Kuada 2008:11). In relation to knowledge transfer, Doz and Santos (Doz et al. 1997b) define knowledge transfer as follows:

It is customary to speak of the 'transfer' of knowledge (or transfer of technology) between two distant units of a MNC or between two different functional units at HQ, between a vendor and a customer, even between countries. The use of 'transfer' implies (or, at least induces) an image of flow: knowledge 'flows' from its primary holder to the secondary holder (Doz et al. 1997b).

In this paper, the verb "transfer is used to denote the process by which Vestas Control System in Hammel, Denmark transferred its organizational culture to its Chinese Subsidiary. Transfer of knowledge can become a complicated process since it implies that knowledge or culture of a particular community has to be "pushed" to a distinct community. The learning literature suggests two preconditions for a successful transfer. The first is the learning capability of the receiver, which refers to the ability to absorb knowledge and integrate it (Kuada, 2008). The second, the transfer capability of the provider, composed of the teaching capability and the motivation and commitment to the transfer process (Kuada, 2008). According to Peltokorpi, the interpersonal interaction is the most effective way to transfer tacit knowledge, because it conveys both verbal and non-verbal meanings (Peltokorpi, 2006).

The success of a knowledge transfer is determined also by the comfort zones of the actors involved. Comfort zones are mental conditions that allow individuals to enjoy a sense of security, which is given by their belongingness to a specific group and therefore sharing determined set of values (Kuada 2008). Any disturbance of this zone may provoke uncertainty and confusion. "A knowledge provider that shows awareness of the comfort zones of their learners and the anxieties that the transition process generates should take deliberate steps to guide them manage the transition with minimum anxiety" (Kuada 2008:16). In order to achieve that, the provider must possess adequate knowledge of the learning culture and combine it with an efficient intercultural communication.

METHODOLOGY

The study adopts a qualitative approach since the purpose of this paper is to examine how Vestas Control System transferred its Organizational culture to China. By this method, it allows the participants to raise topics and issues that the researchers may not anticipate, and might be critical to the investigation. Furthermore, by employing the qualitative method, participants were allowed to express their feelings and offer their perspectives in their own words.

Ontologically, this article also adopted the nominalists' paradigm. Philosophically, this approach is rooted in social constructivism, which holds that reality is constructed by individuals in interaction with each other (Kuada 2012:73). This is because to generate reality concerning how Vestas Control System transferred its organizational culture to China, the actors in the meaning creation must interact with each other to co-create the meaning. The paper assumes that generating reality on organizational culture transfer is not an objective affair, but a subjective affair. This implies that the meanings emanating from the transfer of Vestas culture from Denmark to China would be co-created by all the participants in the cultural transfer process.

Data Collection

The paper has employed semi-structured interviews as the main source of empirical data generation. This is combined with document analysis to generate meaning on how Vestas Control System transferred its organizational culture to its Chinese Subsidiary. The interviews came up as a result of the collaboration between Aalborg University, where the authors studied and Vestas Control System. The project was an internship project between Vestas Control System and Aalborg University, Denmark. In that sense Vestas provided the platform for us to interview their top managers concerning their Chinese project.

Three interviews were conducted. All the interviews were conducted in February, 2009. We had the first interview with the Senior Vice President of Vestas Control System at the congress centre, Silkeborg, Denmark. The interview was face-to-face, and the questions were open-ended. The interview was recorded using a recording device. The interview lasted for about one hour, forty five minutes.

The second interview was conducted at Aalborg University, Denmark, Feb 4. The interview lasted for about one hour, forty minutes, and was recorded with our recording device (digital audio recorder?). The last interview took place at the conference room of Vestas Control System, Hemmel, Denmark. The interview lasted for roughly one hour, forty minutes, and was recorded. The interview questions were centred around Vestas Chinese project, intercultural relations, and knowledge transfer.

Selection of the case

The decision to investigate how Vestas control system transferred its organizational cultures to its Chinese subsidiary was based on several considerations. First, transferring the "Vestas culture" to China would not have been as easy as say "transferring the -windmills to China". Transferring the "Vestas Culture" to China would have required conscious effort to manage both the Chinese and the Danish culture to achieve a successful transfer. This paper, therefore, considered this case because of the national cultural differences between the Chinese and their Danes, and to examine how the values, practices and knowledge might influence the organizational culture transfer from Denmark to China.

Selection of Respondents

Selection of interview subjects was based on those who were involved in the project, and taking key decisions regarding the establishment of the subsidiary in China. TM, Senior Vice President at the Competence Centre of Vestas Control System was interviewed. TM was interviewed because he was involved in the decision making regarding the establishment of the Chinese subsidiary.

Also, RH, the Chinese project manager in People and Culture of Vestas Control System was interviewed. She was the main contact person for the Chinese Project. Apart from that, she has worked with Vestas for over four years. The third respondent was TN. She was an Assistant coordinator of People and Culture. She has worked with Vestas for over 10 years. We interviewed RH and TN because they were responsible for the successful transfer of Vestas organisational culture from Vestas Control System, Hammel, Denmark to Tianjin, China.

The following scheme illustrates the design of the paper.

1. Theory and Literature View

- a. National Culture and Organizational Culture
- b. Knowledge Transfer →

2. Interviews

- a. TM
- b. RH →
- c. TN

3. Official documents

- a. Vestas strategic plan
- b. Vestas energy plan →

Shared
understanding and
interpretations of
“How Vestas
Control System
transferred its
corporate culture
to its Chinese

DATA ANALYSIS AND INTERPRETATION

The main data analysis procedure adopted in the study was hermeneutic. The hermeneutic approach seeks to offer an understanding, especially through the systematic interpretations of actions and texts (Denis 2010). In this regard, the interview transcripts were categorized into two main themes: Intercultural relations and Organizational culture and knowledge transfer. Based on the themes that emerged, thick descriptions (Creswell, 2009) were used to present the expressed statements of the interviewees in accordance with the two main themes generated. Also the paper has used multiple data sources as a way of triangulation. The multiple data sources generated ensured credibility, dependability and trustworthiness of the study (Creswell, 2009). Again, the multiple data sources provided for verification and cross-checking of the information. Beyond that, the two authors independently coded the data, met and discussed the major themes and issues that emerged and then agreed on the themes included in

this study. This gives further credibility to the study. The codes used in relation to the interview subjects are shown below.

Codes Used	Meaning of Codes Used
TM	Senior Vice President of Competence Center
RH	Chinese Project Manager.
TN	Assistant Coordinator for people and Culture.

Vestas Profile

Vestas is a very big organization which is growing rapidly. It is the number one leading producer of high technological wind power solutions in the world. It is a Danish company with a global, market-leading group with over 15,000 people employed. Vestas business includes development, manufacturing, sales, marketing and maintenance of wind power systems that use wind energy to produce electricity.

Vestas Organization otherwise registered as Vestas wind system A/S has the diagram below as its administrative structure, which is spread across different locations in Denmark and across the world. The figure below clearly shows in simple terms the 12 business unit of Vestas.

Vestas organisation



Company presentation 18-09-2008

Vestas

Figure 1 (www.vestas.com).

Vision

Vestas has a responsibility to maintain and expand wind power and modern energy as a real supplement to oil and gas. (www.vestas.com).

Mission

As the market leader, Vestas has a big responsibility for initiating a new and sustainable agenda. It calls for quick and accurate decisions twenty-four hours a day, using our hearts and our minds. (www.vestas.com).

Vestas Control System

Vestas control system operates in Hammel, Denmark. As a strong and sensitive unit of Vestas group, it is substantially autonomous in its operations. It has its own staff at Hammel. This is where all production test equipment for Vestas is developed and produced. They are responsible for supplying all the brains of the turbine, to all the control sections, including all the electronics.

Limitations

The limitation of the study is the small sample size. It would have been desirable for the study to include other Chinese and Danish employees of Vestas Control System besides the three participants. Notwithstanding this, being a case study, the semi-structured interview of the three employees of Vestas Control System ensured an exploration of the phenomenon in detail by providing an in-depth insight of how Vestas transferred its corporate culture from Denmark to China. Secondly, we only interviewed people from Vestas Control System, but we were not able to establish –whether what Vestas Control System had considered as culture, is commonly shared by Vestas group. Lastly, many of the top managers in charge of the Chinese project were not stable as they shuttled between Denmark and China hence our inability to interview all of them. In view of this, we could not get some of the documents they promised to make available for us to aid us in our analysis. However, the few documents they provided us were very useful for the analysis.

Ethical Issues

In order to ensure confidentiality, anonymity, and privacy of participants in the Vestas Control System Chinese project, permission were sought via electronic mails. Participation in the study was also voluntary and this was made known to all participants. Written consents were received from those who volunteered to participate as their willingness to participate. Raw data including interview recordings and transcriptions were treated in a way that protected the confidentiality and anonymity of the participants. As the study was non-invasive and did not involve vulnerable adults or children, ethical approval from Aalborg University was not required. It needed only the consent and permission of the organization and the participants involved.

Results and Discussion

In this section, we present and discuss the main issues as the three interviews revealed with regards to cultural difference between the Danish mentors and their Chinese colleagues. Key factors identified by interview subjects are broadly discussed under two headings: intercultural relations (Cultural differences, Team work in Vestas, and power Distance); and organizational culture and knowledge transfer (Vestas Safety culture, flat organizational culture, and knowledge transfer).

Intercultural Relations

Cultural Differences

Cultural differences manifested in a number of areas were strongly represented in the interviews. Interviewees referred to communication difficulties between the Chinese involved in the Tianjin project and their Danes colleagues as a result of language and cultural barriers. TM lamented that:

“Some of the Chinese cannot express themselves well in English. Some of them really need to improve in order to understand what is going on” (Vestas 1:26)

RH also affirmed that *“there has been language problem. One of the guys we really expected to be more fluent and competent in English language was very silent, he never said anything, he never.....he never agree or disagree on anything”* (Vestas 1:81). What is analytically interesting is that the program which was dubbed “training the Chinese workers to teach their colleagues” was conducted in English. Since it was observed that some of the Chinese could not express themselves well in English, the questions which need to be asked are: will the Chinese employees have the ability to communicate and interpret the new knowledge in the light of Vestas requirements to their colleagues in China? Or would they be able to disseminate the knowledge to their colleagues in China? This means that important information which was conveyed by the Dane instructors or mentors would have been either misunderstood or misinterpreted. This limitation would, therefore, defeat the principles of effective communication and transmission of organizational values and practices.

Also, TM noted some cultural complexities of the Chinese employees: *“[...] When Chinese says yes ..eeh we have understood ..eeh maybe they actually don't mean yes ..eeh you have to ask in a different way to really understand ..eeh if they have understood ..eeh the message.* (Vestas 1: 29).

What the above interview data reveal is both a language and cultural barrier between the Chinese employees and their Dane mentors. This is because language barriers are inherently cultural barriers. In this sense, as human beings, we use our language to make meaning of ourselves and surroundings. Also, our cultural values are made meaningful through our language. This implies that for the Chinese to make meaning of the teaching of their mentors or instructors, they would need to understand the logic of English language, the relationship between the language signs, the concepts and context. In the same way, for the Chinese to teach their Danes colleagues about Chinese language and culture, it would be necessary for the Danes to understand the logic of the Chinese language and as well as the language signs, concepts and context.

Concerning the documents that would be used in the Chinese subsidiary, Vestas has developed a global strategy of “thinking globally and acting locally”. In this connection, RH said: *“the more global you want to be, the more local you have to”, and that “all documents that would be used in Chinese subsidiary are translated into Chinese”* (Vestas 1:60). This statement substantiates the slogan, “think global and act local” (Scholte 2000). In the opinion of the interviewee, it appears Vestas has adopted a polycentric-oriented approach of organizational culture and knowledge transfer. (Kuada 2008) argues that a polycentric – oriented organisation is primarily concerned with legitimacy in every country in which it operates and gives its subsidiary a wider degree of latitude to respond to changes in their environment (Kuada

2008:10). This process could make it easy for the Chinese employees who cannot read and understand English or Danish to get the opportunity to read Vestas materials in their native language.

Team work in Vestas

The concerted effort of members of staff in the thinking, planning, implementation and decision-making in an organizational environment could be regarded as group work. This kind of work culture is what could be perceived in the Vestas organization. TM pointed out how this operates in Vestas:

I will say that in Vestas one individual is not able to do very much by himself or herself - it is always a kind of teamwork. When we work together in some of the newly developed projects, we bring people from the line organizations to work in teams to accomplish some goals. (Vestas 1:14)

It is obvious from the above that team work and collaboration is exemplified from the top managers, much more, it is a value that is essentially part of Vestas and shared among the general staff. This understanding is congruent with the collectivist cultural thesis, where employees are put together in teams to achieve teams' goals (Hofstede 2004). Also, bringing people out of the line as TM said above is a pointer to the fact that no one can single-handedly monopolize or completely own a work area. It implies that employees of the Chinese project would have to work interdependently in order to achieve the tasks set for them by their superiors. Furthermore, putting employees to work together in teams is not an end in itself, but it is a means to an end. In this context, the consequences of team work could lead to unity of purpose, and enhances team culture.

Power Distance

The interviews also revealed issue of power distance between the Danes and their Chinese colleagues. This was corroborated when TN observed that:

In Denmark, for example, at the production line you can have a "super user", maybe he is an electrician and he knows everything about this product, maybe he has been here for many years. If he goes out and he gets more information on a course somewhere, he will go back and share with everyone on the line. You don't do that in Chinese culture because if you give away what makes you special, you lose power and your chance to get a better position (Vestas 1: 100).

In the opinion of the interviewee, there exist differences in power distance between Denmark and the host country, China. This correlates Hofstede's ranking of power distance index (PDI) which placed Denmark among the low power distance countries (Hofstede 2005:44). This by implication means that Danes employees who are involved in the Chinese project are more likely to share knowledge and skills they acquired with their colleagues, whereas their Chinese colleagues might not be willing to share their skills and knowledge to their Danish colleagues. The Chinese employees are more likely to have low level of trust, acceptance of close supervision as a good managerial practice, and acceptance of centralisation system of decision making. In this case, power distance would be seen as a barrier for learning and reverse learning.

When we asked TN about direct communication in China, in response, she asserted that:

In Denmark if something doesn't work, I can call the top boss and say "it doesn't work, can you do something about it?" If I do that in China, I will have a problem with my boss. So, I don't call their top bosses in China when there is a problem. When there is a problem, I first discuss it with their P&C, manager (Vestas 1:104).

The view expressed by TN reflects the low power distance that exists between superiors and their subordinates at Vestas Control System, and also reflects the likelihood of higher power distance between superiors and their subordinates in the newly established Chinese subsidiary. Further, it also implies that an employee at Vestas Control System can freely communicate to the top management if there is a problem to be solved. This understanding maybe due to the fact that Denmark is a low power distance country, where employees are treated equally, free to express their mind on issues bordering their organisations, whereas, employees in China may not feel free and comfortable to communicate to the top level managers when there are problems to be solved or discussed.

Organizational Culture and Knowledge Transfer

On the organizational culture, one important aspect of it at Vestas Control System has been noted to be structured. All the three interviewees were unanimous that Vestas Control System has a flat operational structure. TM said "[...] *cause it is a little special this structure here in Vestas, because we have what you can say quite a flat structure. [...] Eh. And the reason why the organization is like this is because actually all the responsibility for driving is placed in the line organization*". (Appendix 1:1). RH buttressed this point that *Vestas has "flat organization! I can go and talk to our president and...knock on the door and say "do you have a couple of minutes for me?" yes and then "what's in your heart?" and then have a chat, he can sit beside me in the lunch break, and we make jokes [...]"* (Vestas 1: 92). This revelation is congruent with the postulations of Gullestrup (2006) and Schein (2004) that organisational structure form part of the visible layer of its culture. Organisational structure is thought of as a formal outline of managerial reporting relationships within a company. Flat structure features less layers of management and empowers employees to take initiatives and to approach superiors without any bureaucratic bottlenecks leading to more efficient productivity because employees would be directly involved in the day to day activity of the organisation and there would be free flow of information. Using flat structure creates that kind of appropriate behaviour among the employees; it is a kind of shared meaning. This frame of mind can be attributed to Vestas top leader's vision and strategy which is created and practised in reaction to challenges and which has worked well that it has become an assumption as noted by Schein (1984:3) that:

organisation culture is the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration, which have worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems.

It should be noted that there is a peculiar trend that manifested in the above interviewees; they are quick in meeting their top managers without a second thought. It has become a regular practice, a common phenomenon, an ideal, automatic and much more a culture. In this connection and context, it has become an acceptable practice and norm for staffs to approach their top managers without any inhibitions and this has since metamorphosed into a share value of Vestas.

Another outstanding organisational culture of Vestas Control System is the safety culture. The CEO, Ditlev Engel, further laid emphasis on safety when he made the following statement in his opening remarks in Vestas Energy plan document:

We are still a long way from where we want to be, and we have no intention of relaxing and declaring ourselves satisfied". We must and shall develop, and we can use the numerous uplifting trends we have identified in 2006 as confirmation of the fact that the course we have set with The Will to win is the right one (Vestas Energy plan: 2007:1).

This presupposes that Vestas has set a very high standard for itself when it comes to safety measures and there is no indication to relent in their effort. We are of the opinion that this is an exemplary standard befitting of Vestas status and worthy of emulation. So it is not a coincidence that TM statement was also replicated in Vestas energy plan. TM said *"we have safety effort as our first priority"* (Vestas1:38). A practical demonstration of this could also be seen in the Vestas document: *"Whenever the Vestas Government – which consists of the Board of Management and the Presidents of Vestas' business units – meets or holds its weekly telephone conferences; safety is always the first item on the agenda"*. (Vestas Energy plan: 2007:21). Vestas extreme seriousness with safety is a core value of the organization upheld and practised religiously by the organization and its entire subsidiaries worldwide. This Vestas document clearly states this: *"All Vestas service technicians around the world will receive the same fundamental safety training before they start their jobs,"* (Vestas Energy plan 2007:21). Therefore, this safety culture of Vestas supersedes all forms of cultural constraints or perception that may tend to undermine its practical success. RH commented: *"we don't compromise safety that is one example, that means we really have huge focus on safety, and we don't compromise it, and that we say this not for discussing."* (Vestas 1:61). So it is a matter of instruction and not discussion irrespective of your cultural background. TN re-emphasised this: *"no one should get injured, and that is global so it does not matter if you are in China or you are in Spain or anywhere; safety first. And also the factory has been design so that...eeh it should be as safe as possible"*. To transfer this core value to the new subsidiary, knowledge providers ought to have rich knowledge of learning culture where the receivers of the knowledge are situated and interlaced great intercultural communication skills and 'a set of psychological tool-kit (Kuada, 2006).

It is evident that the company took heed of this when RH mentions that *"Everyone who is going to be involved in working with the Chinese get to have two days cultural seminar about the Chinese culture, and in the same way, Danish cultural training is given to the Chinese as well"*. Also, RH asserts that *"we had cultural training minimum two days for each person who would be involved in the Chinese project"* (Vestas 2: 80). Providing training for all those who will be involved in the project at Tianjin, China, could make both the Danish and the Chinese employees become more familiar with the core values, feel more integrated with the corporate culture, and may be build solid contacts between the Danes and the Chinese who will be involved in the project. This could go a long way to create a mutual comfort zones among the Chinese employees and their Danes colleagues.

The success of any knowledge transfer or culture from one country to another is determined by the mutual comfort zones of the actors involved. In order to build on the security, and absorptive capacity of those who would be involved in the Tianjin, China project, our interview data revealed the following:

“The Chinese are much more comfortable in their circumstance; they are much comfortable when you teach them in China. If you ask them the same question in China and Denmark the answer will be different” (RH). By implication, this means that training of the Chinese employees in their own language and environment could strengthen their comfort zone. It would make them enjoy more sense of security and comfort.

CONCLUSION

The paper examined how Vestas Control System has transferred its organizational culture to its Chinese subsidiary. Throughout the discussion, the three interviewees involved in the Chinese project revealed intercultural relations issues between the Dane mentors and the Chinese mentees. The study, therefore, concluded that the ability of Vestas to transmit its corporate culture to its Chinese subsidiary would depend largely on three things. First, how well Vestas Control System communicated Vestas organizational values and practices to their Chinese employees, who were trained to train their colleagues in China. Second, how well the Chinese employees assimilated Vestas Control System organizational Values and practices. Third, the ability of the Chinese mentees to impart the knowledge and skills they have received in the light of Vestas Control System standards and practices.

The discussion has also revealed power distance issues between their Danes mentors and their Chinese colleagues at the Chinese subsidiary. However, it is recommended that Vestas should focus on the power distance issues and not underplay the level of power distance between the Danes and their Chinese colleagues. Vestas Could break through the power distance culture in China by creating teamwork that may undermine power distance. In this sense, the teams could be created by establishing clearly defined responsibilities, rules and guidelines. The training of the Chinese employees and their Danish mentors would create a platform for mutual comfort zones. The project, therefore, concluded that adopting and tailoring some Vestas Controls System values and some of the Chinese values would encourage mutual respect of opinions from both the employees from the new Chinese subsidiary and Vestas Control system.

AREAS FOR FURTHER RESEARCH

The discussion and empirical results presented in this paper has therefore provided new insights into transferring culture and knowledge abroad. New qualifications to earlier views have been made. Nevertheless, the research is still open for further investigation. A lot more research is still required in the area of culture and knowledge transfer abroad. One of the key conclusions of the research is how Vestas Control System could cope with the power distance between the Danes and their Chinese colleagues in the newly established Vestas subsidiary. Again, further investigation is required in the area of developing best local practices which will be congruent with multinational organizations organizational values. One of the specific questions that seek further research is: How can Vestas Control System develop local best practices in China that will be consistent with Vestas organizational values?

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